

City of San José

Coyote Valley Specific Plan

Summary of Medical Services Focus Group Meeting #2

November 22, 2005

200 E. Santa Clara Street, Room W120

Medical Services Focus Group Members Present

Sarah Muller (Working Partnerships), Robin Roche (Santa Clara Valley Health and Hospital Systems), Reymundo Espinoza (Gardner Family Health Network), Rhonda McClinton-Brown (Community Health Partnership), Andrew Barna (Daughters of Charity), Vivian Smith (Saint Louise Hospital), Lisa Jafferries (Kaiser), and Kimberly Ellis (Kaiser).

City Staff Present

Sal Yakubu (PBCE), Susan Walsh (PBCE), and Sylvia Do (PBCE).

Consultants Present

Doug Dahlin (Dahlin Group), Darin Smith (Economic and Planning Systems), and Eileen Goodwin (Apex Strategies).

1. Welcome and Introductions

The medical services focus group meeting convened at 10:05 a.m. with 15 people in attendance. Eileen Goodwin, with Apex Strategies, welcomed everyone to the second Coyote Valley Specific Plan (CVSP) medical services focus group meeting. The meeting began with introductions around the room.

2. Agenda Review and Meeting Purpose

Eileen reviewed the meeting agenda. The purpose of the meeting was to discuss a potential strategy for the provision of community health services for Coyote Valley.

3. Assessing the Need and Timing

Sarah Muller, with Working Partnerships USA, reviewed Santa Clara Valley Health and Hospital System's (SCVHHS) recommendation prepared by Robin Roche, Director of Ambulatory and Community Health Services. Based on the projected Coyote Valley population and assuming that it translates into some 15-20 percent being uninsured and underinsured, SCVHHS estimates this would create a need for about 15 providers and a 50,000 square foot main health center. Per the preliminary space listing, the rough cost estimate for such a building would be about \$27.1 million (excluding land cost). In addition to the main health center, SCVHHS envisions a small storefront doctors' office providing basic primary care services for Coyote Valley residents most geographically distant from the main health center.

Sarah explained that Working Partnerships former recommendation of two health care clinics was based on the projected Coyote Valley population, whereas SCVHHS looked at projected utilization. Working Partnership now agrees with SCVHHS in proposing one 50,000 square foot main health center and one small storefront doctors' office in Coyote Valley.

Focus group members provided the following questions and comments:

a) Assessing the Needs:

- Should determine needs based on utilization, not population. Utilization determines the scope of service based on how much health care services people would use.
- Does utilization assume in and out migration? *No, the ratio assumes that Coyote Valley will mirror Santa Clara County's current demographics.*
- Utilization should assume that there would be out-migration.
- Darin Smith, with Economic and Planning Systems, indicated that he does not expect Coyote Valley to mirror Santa Clara County's current demographics. 20 percent of all CVSP units will be affordable. Seventeen percent of all CVSP units would have an affordability level of low-income or below. Although Coyote Valley will have a higher number of affordable units than Santa Clara County overall, Coyote Valley will not have concentrations of the poor.
- If there is affordable housing, we can assume that the same population would need access to subsidized health care.
- Affordability does not necessarily equate to being uninsured. Affordability is not a barometer of who will need services.
- One 50,000 square feet facility and one small doctors' office is more acceptable than proposing two health care clinics.
- Suggested having a 20,000 square foot facility instead of a 50,000 square foot facility.
- Goal is to provide health care services for the gap not served by private providers. The County has tremendous outpatient experience compared to private providers. Although private providers also serve the uninsured and underinsured, we cannot rely entirely on private providers to serve these populations.

- Santa Clara County does an excellent job of providing health care services to the uninsured and underinsured, but we need to serve all Coyote Valley residents. Private providers could meet a broader scope of the population than the SCVHHS targets. Private health care providers could serve the uninsured, underinsured, and insured.
- It is too soon to determine who will provide services in the 50,000 square foot facility.
- Various providers could share use of the 50,000 square foot facility.
- Consensus that all Coyote Valley residents should have access to health care, regardless of how we approach the issue and who the providers are. This is about providing space, not determining who the provider should be.
- If Coyote Valley is a walkable community, we need to provide services that will meet the community's needs. The 50,000 square foot facility would provide a variety of services in the core area. The storefront office would provide ancillary services outside of the core area.
- Since the CVSP may identify affordable housing sites, we should also reserve a site for the main health center. Should locate the 50,000 square foot building in the core area where it is most densely populated and accessible to transit. *Doug Dahlin, with Dahlin Group, indicated that the main health center could be located on Santa Teresa Boulevard between the core area and where Santa Teresa Boulevard meets the parkway.*
- Do not need to identify sites for private physicians.
- Need ambulance access. Should look at ambulatory outpatient services data.
- Saint Louise Hospital is close enough to serve Coyote Valley's ambulatory needs.
- The closest medical facility to Coyote Valley is the DePaul Health Center in Morgan Hill.
- Kaiser is looking at Coyote Valley, but they have not made any definitive decisions. Kaiser may consider having a clinic in Coyote Valley, but not a hospital. Kaiser also serves the underinsured.

b) Timing

- Recommended building the 50,000 square foot facility during the first phase. The main health center would become fully operational over time. The storefront office could be built later.
- Over time, private non-profit providers and for-profit providers will grow into the community. Recommended using SCVHHS's data as triggers for a back-up plan. If SCVHHS's data is not satisfied, then public providers could fill in the gap.
- Concerned that private providers are being lead to a conclusion regarding the 50,000 square foot facility and the small storefront doctors' office.
- Should encourage the private providers as much as possible. Should create health care facilities after the gap arises. *This is the current model. We have the opportunity to plan for Coyote Valley.*
- Questioning the gap. Recommended against proposing a 50,000 square foot facility until the gap is defined. Recommended building a small health care facility first and then assessing what the consequent gap is.
- Should come up with alternative strategies.

4. Financing Strategies

Focus group members provided the following questions and comments:

- Need to estimate values in the beginning. Cost is dependent on whether we plan to serve the entire Coyote Valley community or a particular population. Need to look at the entire population's need.
- Health care facilities should be financed through a Community Facilities District (CFD) or be included in the CVSP infrastructure costs. Can fund for land, facility, construction, and equipment.
- Could have a collaborative approach and get a private developer to build the facilities. The DePaul Health Center has a private partnership for construction.
- Incorporating two-room clinics into schools could be a financing solution.
- Gardner Family Health Network receives federal, state, and county grants. Gardner's South County Health Center in Gilroy receives funding from grants, and private donations to leverage tax-exempt bond financing. Gardner's downtown health center also received community development block grants (CDBG).
- Gardner Family Health Center estimated an annual operating cost of about \$7 million.
- Envisions funding capital costs with CFD financing and funding operational costs through piecemealing and collaboration with Santa Clara County. Easier to ensure financing for operating costs if capital costs are financed.
- Working Partnerships, SCVHHS, Community Health Partnership, and Gardner Family Health Network all agreed that there would be a 15-20 percent gap. Need to reserve upfront funding through the CFD to serve upfront demand. *CFDs are voted upon by the community, can not be forced by the city.*
- Need different financing options.
- The prudent thing to do is to cover the gap. If we over estimate the cost, the funds could finance other CVSP infrastructure.
- If there is a surplus, can the extra funds be reimbursed? *Darin responded in the affirmative. He recommended against setting a figure upfront. Darin recommended doing a performance-based expenditure/trigger to assess the need. He also recommended doing additional analysis on this issue.*
- Who would do this performance-based evaluation?
- Questioning the gap. Recommended having EPS or other specialists do a detailed assessment of Coyote Valley's projected demands. More research should be done to confirm that a 50,000 square foot facility and a small doctors' office is needed. Could do a demographic analysis to get definite numbers. The Coyote Housing Group is willing to fund the analysis.
- City of Morgan Hill established a community health foundation to address health care issues and to provide health services.
- Suggested that the Camden Group, a private health care consultant, could do further analysis on this issue.
- An alternative approach is to establish a trigger and assess the need for health care facilities at a specified time. Funding can be reserved through a CFD in the interim. If there is a short

fall and the gap arises, could use the funds. If not, the money can be redirected or reimbursed.

5. Next Steps/Adjourn

The focus group reached a consensus that all Coyote Valley residents should have access to health care.

The meeting adjourned at 12:00 p.m.